

# Saturn Development Company

601-940-4481

100 Webster Circle  
Madison, MS 39110

djbrata@hotmail.com

Friday, May 13, 2011

Mr. Hardy Jones  
First National Bank of Clarksdale  
P.O. Box 220  
402 East Second Street  
Clarksdale, MS 38614  
662-902-7089

RE: Loan Request \$700,000 Secured By 262  
Acres (Encore PUD) DeSoto County, MS

Dear Mr. Jones:

My companies own approximately 2000 ± Acres in DeSoto County, MS. The property is zoned and has all utilities on site.

I am seeking a one (1) year loan on 262 acres of this property which fronts on Hwy 61 and Church Road.

Attached for your review is information on the property including:

1. Informational Package
2. Appraisal (2010) \$9,000 per acre- 262 Acre parcel
3. Appraisal (2005) \$20 million- 1766 Acres
4. Financial Statements of Saturn Companies and D. Joseph Brata
5. Copy of existing loan on property (\$648,000 due 6/22/11)

Although the property is zoned commercial, single & multi-family, it is currently being farmed in winter wheat and soybeans at rent of \$100 per acre per year.

I request a one (1) year loan of \$700,000 which is 29% LTV or \$2670 per acre.

In the past ninety (90) days Saturn has sold its easement for eleven (11) billboards for \$850,000 and 7.4 acres west of the railroad tracks for \$18,000 per acre.

If you should have any questions or request for additional information please let me know. I look forward to meeting you.

Very truly yours,



D. Joseph Brata  
President  
Saturn Development Company  
100 Webster Circle  
Madison, MS 39110

A silhouette of an industrial facility, possibly a refinery or chemical plant, with various towers, pipes, and structures. The image is set against a blue gradient background.

# PRIME INDUSTRIAL, COMMERCIAL AND RESIDENTIAL PROPERTY

PRESENTED BY  
SATURN DEVELOPMENT, INC.  
JOE BRATA, PRESIDENT  
601-940-4481 • [DJBRATA@HOTMAIL.COM](mailto:DJBRATA@HOTMAIL.COM)

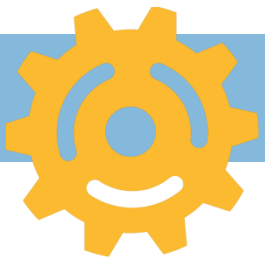
2000 +/- acres • desoto county, ms • build to suit • available for sale



# OVERVIEW OF PROPERTY

## Location Details

- Church Road and Highway 61
- Desoto County is the fastest growing county in the state of Mississippi and the 26<sup>th</sup> fastest growing county in the US
- Four (4) miles from Memphis, Tennessee
- In the heart of the south-eastern U.S. and closer by truck to more major metro areas than any other city in the US
- Four (4) miles from casinos in Tunica County, MS that employ 30,000 individuals
- Eight (8) miles from Ross Perot's Hillwood Development, an industrial distribution park
- Five (5) miles from GreenTech electric car plant
- Eight (8) miles from German steel pipe manufacturer (site under construction) which will employ 300 individuals



# OVERVIEW OF PROPERTY

## Site Details

- 2,000 +/- acre mixed-use industrial site with all utilities (electricity, natural gas, water, and sewer)
- New Elementary School, Middle School and High School adjacent to property. School system rated level 5 (top)
- Appraised at \$20 million; adjacent to 620 acre property for sale at \$43,560 per acre (\$27 million)
- Vacant 1,130 acre tract of land west of Hernando, MS sold in 2008 for \$20 million
- 365,000 sq. ft. building for accessory manufacturer Brentwood Originals in operation within the industrial park

**Infrastructure Available:**

- All Utilities
- Rail Spur – Illinois Central
- Four Lane Highway (US 61)
- Interstate Access (I-55)
- Mississippi River Port

**Distances:**

- Memphis, Tennessee – 4 Miles
- Memphis International Airport – 13 Miles
- UPS and Federal Express Hubs
- Mississippi River Port – 4 Miles
- Railroad – Adjacent
- Highway 61 – Adjacent
- 50,000 cars per day
- Interstate 55 – 8 Miles
- Interstate 304/I-69 – 3 Miles
- (Designated to be part of Interstate 69 Canada – Mexico)
- Interstate 40 – 8 Miles
- State of Arkansas – 3 Miles
- Tunica, Mississippi Casinos – 4 Miles

**Other Features:**

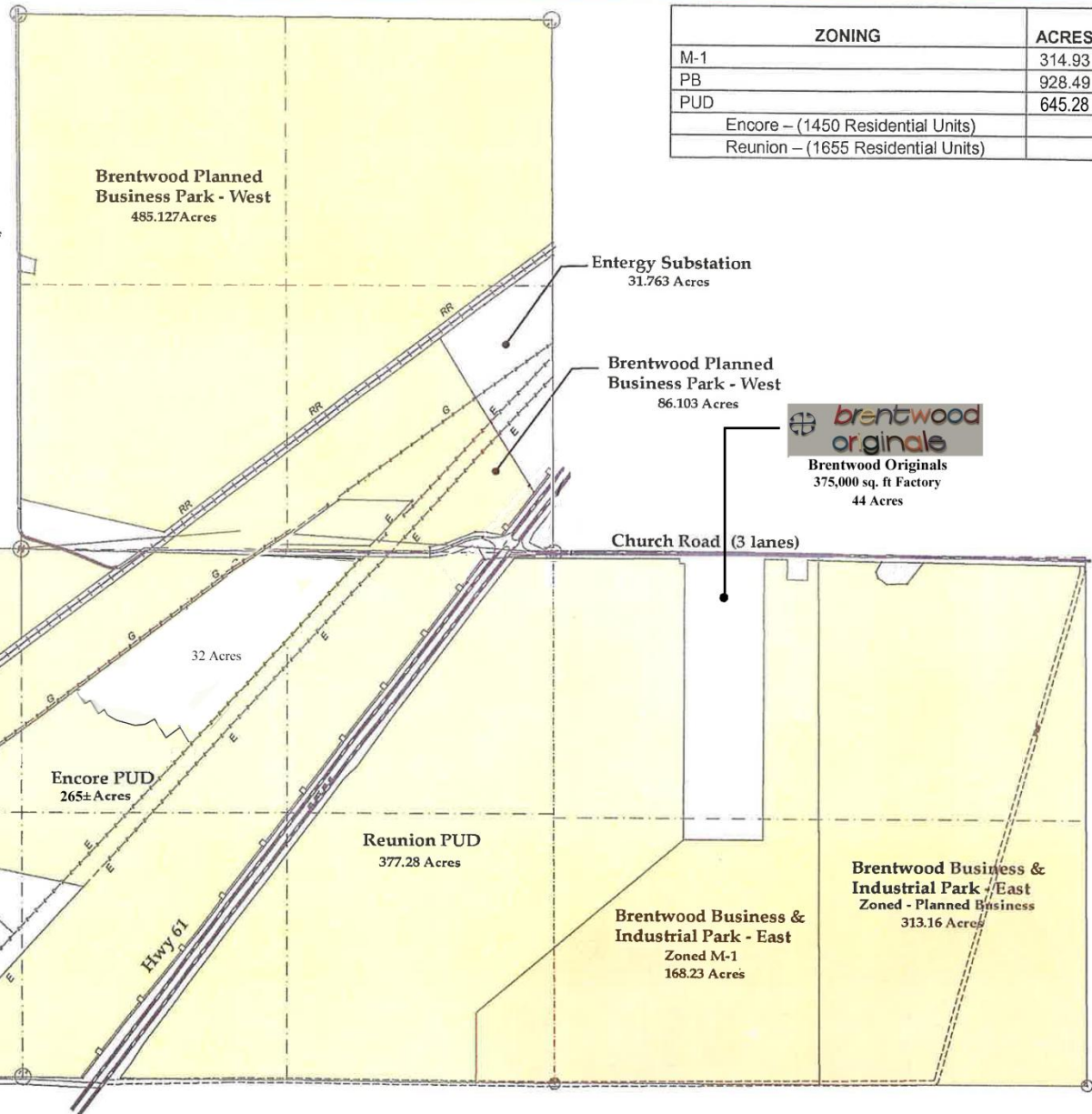
- Topography – Flat
- Positive Business Climate -
- Freeport Status, No Warehouse Tax, Tax Incentives Available
- Desoto County, Mississippi is the 39th Fastest Growing county in the United States
- Skilled Labor Force in a Right-To-Work State
- Excellent Public Schools (Adjacent to new DeSoto West K-12 Campus)
- Family Oriented Environment
- High Quality of Life
- Zoning in Place
- Pro-Development



**LEGEND:**

- - - - - = section or 1/4 section lines
- G-G-G- = gas line
- RR-RR-RR- = railroad
- E-E-E- = power line
- - - - - = 1/4 section & section lines
- - - - - = creek or ditch
- - - - - = land for sale

ZONING	ACRES
M-1	314.93
PB	928.49
PUD	645.28
Encore – (1450 Residential Units)	
Reunion – (1655 Residential Units)	



**Brentwood Originals**  
375,000 sq. ft Factory  
44 Acres

**Brentwood Business & Industrial Park - West**  
Zoned M-1  
146.703 Acres

**DCRUA County Spray Field Easment**  
20.311 Acres

**DCRUA Proposed Western Wastewater Treatment Facility**  
40 Acres

**Brentwood Planned Business Park - West**  
Zoned Planned Business  
126.558 Acres

**Encore PUD**  
265± Acres

**Reunion PUD**  
377.28 Acres

**Brentwood Business & Industrial Park - East**  
Zoned M-1  
168.23 Acres

**Brentwood Business & Industrial Park - East**  
Zoned - Planned Business  
313.16 Acres

**Brentwood Planned Business Park - West**  
485.127 Acres

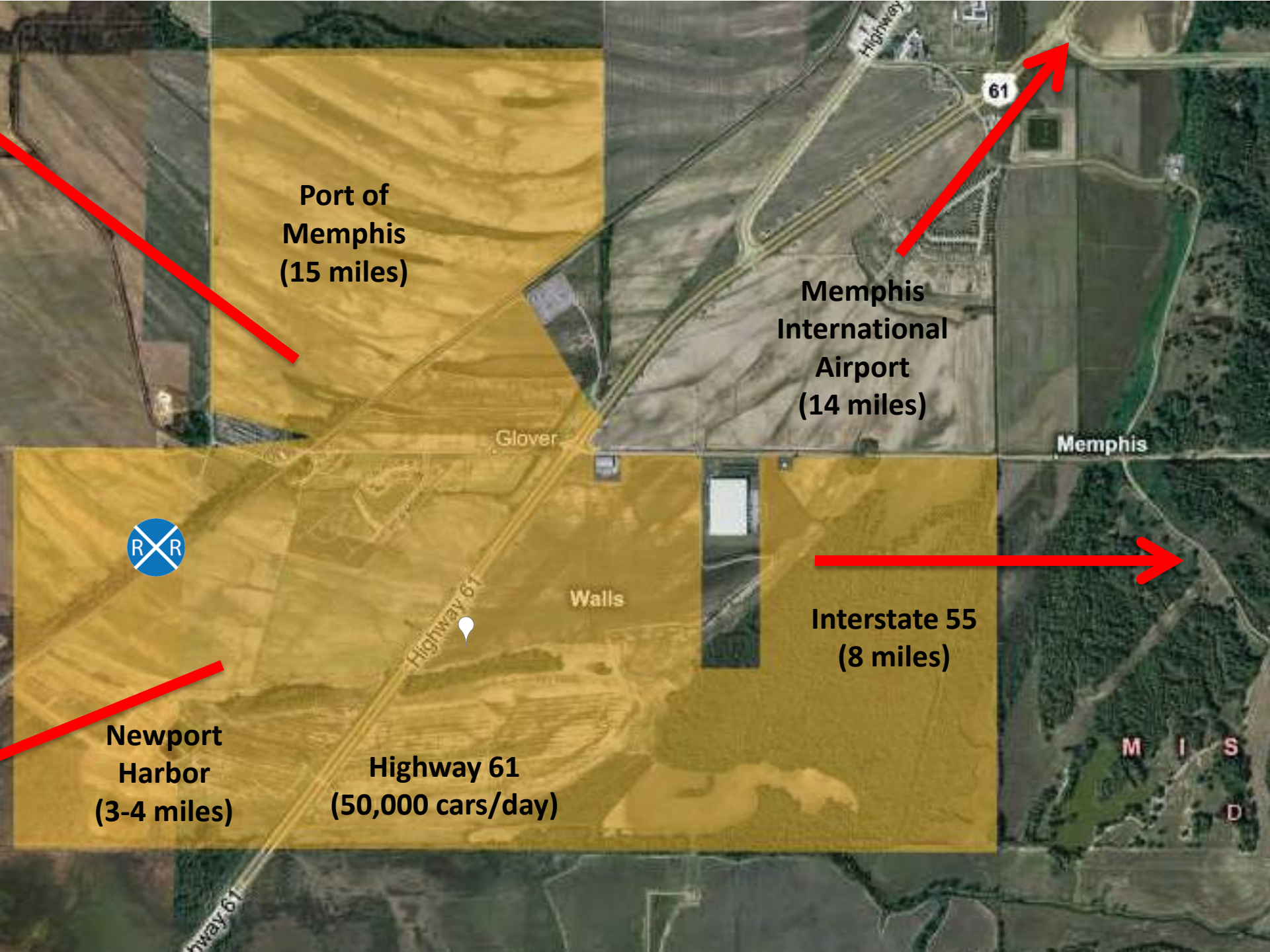
**Entergy Substation**  
31.763 Acres

**Brentwood Planned Business Park - West**  
86.103 Acres

**Church Road (3 lanes)**

**Hwy 61**

32 Acres



**Port of  
Memphis  
(15 miles)**

**Memphis  
International  
Airport  
(14 miles)**

**Memphis**

Glover

Walls

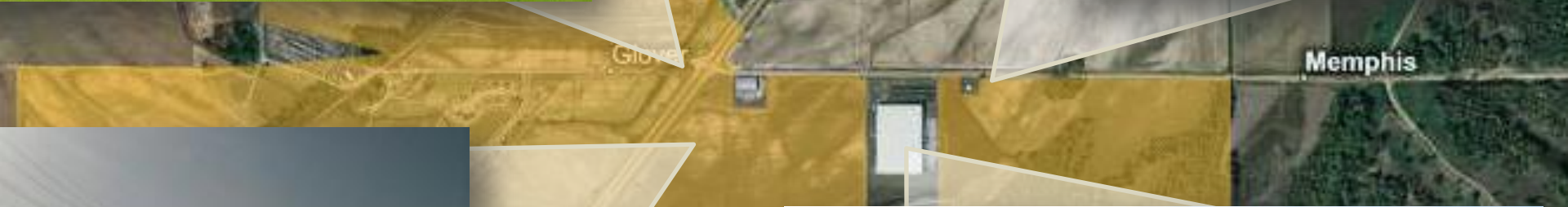
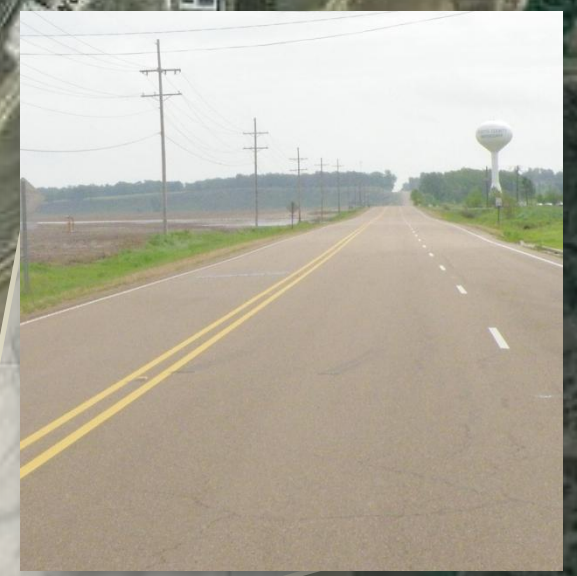
**Interstate 55  
(8 miles)**

Highway 61

**Highway 61  
(50,000 cars/day)**

**Newport  
Harbor  
(3-4 miles)**







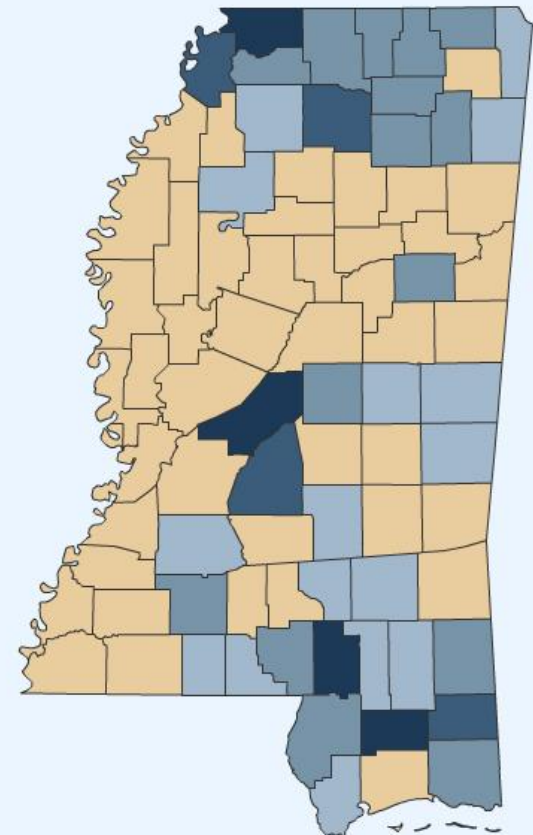
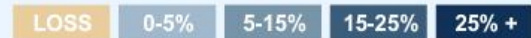
# DEMOGRAPHICS

- Population Details
  - DeSoto County
    - 2000: **107,199**
    - 2010: **161,252**
    - Between 2000 and 2010, DeSoto County experienced a **50.4%** increase in population
- Median Household Income
  - 2010: **\$60,117**
- Education Level
  - High School Graduate, age 25+: **81.6%**
  - Bachelor's degree or higher, age 25+: **14.3%**
- Labor Force
  - DeSoto County has the highest growth rate of its labor force (**19.2%**) in a 7-county area according to a May 2010 Labor Market Assessment, released by the DeSoto County Economic Development Council

2010 CENSUS RESULTS

**Mississippi** STATE POPULATION: 2,967,297

POPULATION CHANGE BY COUNTY: 2000-2010







# LOGISTICS

## Transportation

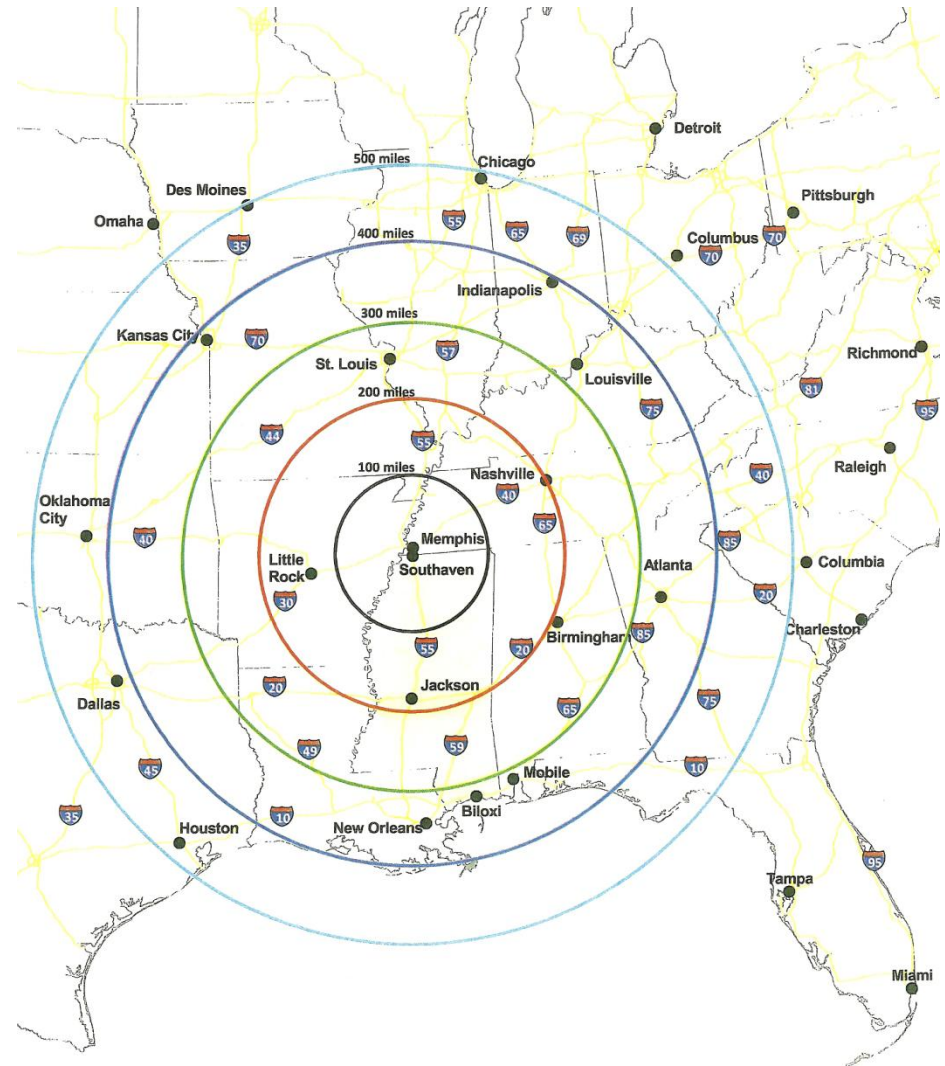
- Highways
  - **Interstate 55** (north/south)
  - **US Highways 51, 61, 78 (I-22)**
  - **Highway 304 (I-69)**
  - DeSoto County is within 500 miles of 70% of the nation's population.
  - It is the only North MS county located within the Memphis Commercial Freight Zone, which has more than 400 motor freight carriers
- **Rail**
  - CN/Grenada Railway (2 miles of track run within the property)
  - Burlington Northern
- **Water**
  - Newport Harbor 3-4 miles away
  - Port of Memphis 15 miles away in TN
  - More than 30 international freight forwarders operate in Memphis
- **Air**
  - Memphis International Airport
    - Number **ONE** cargo hub in the world

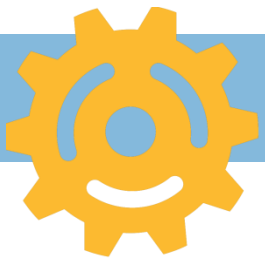


# LOGISTICS

## Distribution

- Over 60 Distribution Companies in DeSoto including:
  - FedEx Ground, General Electric, Nissan, Valvoline, Williams-Sonoma, Dollar Tree, Conair, UPS
- DeSoto County is an ideal transportation and logistics center, located within two day's drive of 45 of the 48 continental US.





# LOGISTICS

## **Industry Incentives**

- Right-To-Work State
- No sales tax on purchases of raw materials, processing chemicals, or packaging materials.
- Partial (50%) sales tax exemptions for purchases of construction materials, machinery and equipment in DeSoto.
- Perpetual exemptions of all property taxes on finished goods distributed outside of the state through a Free Port Warehouse Law.
- Customized industrial training programs provided through the Northwest Mississippi Community College
- State income tax credits for five years of 2.5% of payroll with the creation of 20 or more jobs



# PROPERTY PRICING DETAILS

Property Zoning	Acres	Pricing	
Residential, Industrial, Commercial	2000 ±	\$8,500/acre	\$.19 sq. ft.
Residential*	500	\$16,000/acre	\$.36 sq. ft.
Industrial	1350	\$10,000/acre	\$.22 sq. ft.
Commercial	130	\$20,000/acre	\$.46 sq. ft.

In addition to the above pricing details, developer will include \$800,000 in sewer credits and 53 completed single family lots with utilities, street, curb and gutters.

\*Residential Zoned Property Details:

Single Family Units

1800; various minimum sq. footage ranging from 1250-1400 sq. ft.

Apartment Zoned Land

1200 entitled units

# Richard Neal Commercial & Industrial Appraisal Service

(Bus) 662-342-1999

103 Main St., Ste. A  
P.O. Box 1396  
Southaven, Mississippi 38671

(Fax) 662-342-1448

November 23, 2010

Mr. Paul H. Aron  
President and CEO  
Omni Bank  
236 East Capitol Street  
Jackson, Mississippi 39225-2624

Re: Vacant Land  
262 acres along Hwy 61  
Walls, Mississippi 38680

Dear Mr. Aron,

As requested, we have observed and appraised the above real estate. Our objective was to form one or more opinions about the market value for a 100% ownership interest in the subject property's fee simple estate. An email from Joe Brata outlining the property to be appraised is in the addenda section of this report and a follow up phone call confirmation to Tammy in your office was used before starting this assignment.

The subject property physically consists of a very irregular, vacant parcel constituting 262 acre. The property is a part of three separate legal sections. The property is presently agricultural property for the purposed of lower taxes. The property has been approved by the City of Walls as a part of a PUD. 45 acres is located along Highway 61 for commercial uses. 217 acres is approved for 1,450 residential units which includes 600 apartments. An updated survey was not furnished for this assignment, but documents furnished by the owner and information from the PUD planning were used for this assignment. **NOTE\* Billboard's are included in the value of the subject property in this assignment.**

Valuation of the subject property was accomplished via an appraisal process and communicated in the attached Summary report. This appraisal process and this report type conform to the version of the Uniform Standards of Professional Appraisal Practice (USPAP) in effect on this report's preparation date of November 23, 2010.

The attached appraisal report conveys one or more value opinion(s) along with market data and reasoning appropriate for a Summary report. It was prepared solely for the intended use and intended user(s) identified in the attached report.

In general, valuation of the subject property involves no atypical issues. All value opinions are affected by all the information, extraordinary assumptions, hypotheses, limiting conditions, facts, descriptions, and disclosures stated in the attached appraisal report. After careful consideration of all factors pertaining to and influencing value, the data and analysis thereof firmly supports the following final value opinion(s) for the subject real estate as of November 22, 2010:

**\$9,000pac or \$2,358,000 "As Is" Current Condition**



Richard O. Neal  
Certified General Real Estate Appraiser  
Mississippi License GA-336  
License Expiration Date: 7/31/2011

April 7, 2005

File Number: C05156

Mr. D. Joseph Brata - President  
713 South Pear Orchard, Suite 203  
Ridgeland, MS 39157

Dear Mr. Brata,

Enclosed is my complete summary appraisal report of the real property located at: Brentwood Industrial Business Park and adjoining Reunion PUD, Walls, Mississippi containing 1766.743 acres +/- . The property has a mixture of zoning and proposed uses including residential, commercial and light industrial/distribution as outlined further in this report.

The effective date of valuation is April 5, 2005, the most recent date of the physical viewing performed by this writer. I have appraised the land in Fee Simple and the lease income in Leased Fee Ownership.

To the best of my knowledge, this report conforms to the Uniform Standards of Professional Appraisal Practices as approved by the Appraisal Standards Board of the Appraisal Foundation and to the Appraisal Standards for Federally Related Transactions as set out in the regulations of the Office of the Comptroller of the Currency.

Final land values are based on various sales of various types & size of competing property sales in the area. Upon analysis of the information contained within this appraisal report and my general knowledge of real estate, my estimate of market value as defined and as of: **April 5, 2005**, as follows:

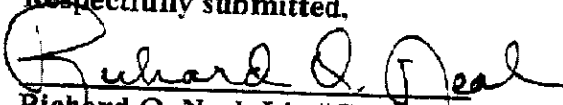
Vacant land 1766.743 +/- ac	-----	\$17,500,000
Billboard & Farm lease	-----	\$2,700,000
Total	=====	\$20,200,000

**Rounded \$20,000,000.00**  
**Twenty Million Dollars & no/100**

**Breakdown:****See further in this report**

*A careful reading of the report is urged in order that the data, analysis, and assumptions upon which this appraisal is based may be understood. Support addenda, comments, etc. are found further in this report.*

*The acreage used in this report is taken from the revised survey dated March 24, 2005; provided by Professional Land Services.*

**Respectfully submitted,**


Richard O. Neal, Lic #GA336

Mississippi Certified General Appraiser

**Saturn Development, Inc. &  
Saturn Investment Corporation  
Combined Balance Sheet**

April 18, 2011

**ASSETS:**

Cash	\$ 10,000.00
Accounts Receivable	\$ 100,000.00
Land (1)	<u>\$22,345,000.00</u>
TOTAL	\$22,455,000.00

**LIABILITIES:**

Debt (2)	\$ 3,740,000.00
----------	-----------------

**NET WORTH:**

**\$18,714,000.00**

- (1) 1,735 Acres DeSoto County, MS. All utilities in place; income from Farm Lease \$160,000/yr. Appraised value \$20 million in 2005. Bought additional 261.51 acres in 2010. Appraised value \$2.345 million.
- (2) First South Farm Credit \$2,385,400 @ 4.07% due 5/1/11 secured by Deed of Trust on 1,476.496 acres.  
Robert Smith \$230,000 Deed of Trust 2.9 acres.  
BankPlus Line of Credit of \$500,000 Deed of Trust 251 acres.  
Currently owe \$475,000.  
Omni Bank \$650,000 secured by 261.51 acres.
- (3) D. J. Brata owns 75% of Saturn Companies.

**FINANCIAL STATEMENT****DONALD JOSEPH BRATA**

April 18, 2011

**ASSETS**

Cash	\$ 50,000.00
House – 14 Twelve Oaks Drive – Madison, MS Appraisal July, 2001	1,150,000.00
Saturn Investment Corp/Saturn Development, Inc. 1982.80 Acres DeSoto County, MS (1)	14,000,000.00
Ridley Hill Development Corp. Madison County, MS	50,000.00
G & B Investments, Inc. – 70 Acres Madison County, MS (2)	3,750,000.00
USA's Jubilee – Beach House Fort Morgan, AL - Appraisal: June, 2007	1,390,000.00
Beach Lot Adjoining Beach House	400,000.00
Bahamas – Great Abaco Island – 8 Acres	400,000.00
Office Building – Madison, MS (3)	<u>400,000.00</u>
<b>TOTAL ASSETS</b>	<b>\$21,590,000.00</b>

**LIABILITIES**

Beach House Mortgage – Morgan Stanley	\$ 600,000.00
Beach Lot Mortgage – Omni Bank	300,000.00
Omni Bank – Saturn Property (261 Acres)	650,000.00
First South Mortgage – Saturn Property (1,450 Acres)	2,385,400.00
Line of Credit – Separate Mortgage – Saturn (251 Acres)	475,000.00
House Mortgage – Bank of America	500,000.00
Home Equity Line of Credit – BankFirst	140,000.00
Auto Leases – Mercedes Benz Financial	20,000.00
BankPlus – G & B Investments	<u>1,333,000.00</u>
<b>TOTAL LIABILITIES</b>	<b>(\$6,403,400.00)</b>

**NET WORTH****\$15,186,600.00****NOTES:**

- (1) Saturn Investments/Saturn Development – 1,768 Acres – DeSoto County, MS – All Utilities in Place – Appraised at \$20 Million 04/05. Farm lease annual rent is \$133,000. Bought an additional 262 acres in 2010- rent \$26,000/yr.Appraised 11/22/10 \$2,358,000
- (2) G & B Investments -70 Acres Commercial Property – Hwy 463 Madison County, MS. D.J. Brata owns 50% of the Stock of G & B Investments, Inc. and personally guaranteed 50% of the \$2.66 Million Loan. Appraised 01/07 at \$4.00/sq. ft.
- (3) Landmark Buildings, LLC owns Webster Hall – Highland Colony & Hwy. 463. 13,250 sq. ft. D. J. Brata owns 50% of Landmark Buildings, LLC. Building appraised at \$1.8 Million in 2005.



FTON03292011090208A

**MODIFICATION, EXTENSION, CHANGE IN TERMS AGREEMENT****BORROWER:**

SATURN DEVELOPMENT, INC. AND DONALD JOSEPH BRATA

213 SOUTH LAMAR ST  
JACKSON, MS 39201**LENDER:**

OMNIBANK

P.O. BOX 22624  
JACKSON, MS 39225**ORIGINAL NOTE INFORMATION**

INTEREST RATE	PRINCIPAL AMOUNT	FUNDING DATE	MATURITY DATE	CUSTOMER NUMBER	LOAN NUMBER
6.00%	\$1,000,173.00	11/24/2010	03/24/2011		7711007226

Effective 03/24/2011, Borrower and Lender agree that the Note, identified above, is amended as follows:

- EXTENSION:** The Maturity Date of the Note is extended to 06/22/2011.
- INTEREST RATE:** The interest rate on the Note identified above shall be changed to:
- A fixed rate of 6.000 % per annum.
- A variable rate of \_\_\_\_\_ the Index Rate indicated below. Any change in the interest rate resulting from a change in the Index Rate will be effective on: \_\_\_\_\_

The Index Rate used for this Note shall be:

If the Index Rate is redefined or becomes unavailable, then Lender may select another index which is substantially similar.

The current Index Rate is \_\_\_\_\_ % per annum. The initial interest rate on this amended Note shall be \_\_\_\_\_ % per annum.

**MINIMUM RATE/MAXIMUM RATE:** Subject to applicable law, the minimum interest rate on this Note shall be \_\_\_\_\_ % per annum. The maximum interest rate on this Note shall not exceed \_\_\_\_\_ % per annum, or if less, or if a maximum rate is not indicated, the maximum interest rate Lender is permitted to charge by law.

**RATE ADJUSTMENT LIMITATIONS:** The maximum interest rate increase at any one time will be \_\_\_\_\_ %. The maximum rate decrease at any one time will be \_\_\_\_\_ %.

**PRINCIPAL AMOUNT INCREASE:** The principal amount of the note shall be increased from \_\_\_\_\_ to \_\_\_\_\_.

**PAYMENT SCHEDULE:** Borrower shall pay the principal and interest on the Note according to the following schedule:

**THIS NOTE IS DUE ON DEMAND, IF NO DEMAND THEN:**

Principal and interest are due and payable in 90 days on June 22, 2011.

 **ADDITIONAL TERMS:****INTEREST IS DUE IN THE AMOUNT OF \$18,008.57 AND AN EXTENSION FEE IN THE AMOUNT OF \$100.00 IS DUE AND PAYABLE ON MARCH 24, 2011.**

**INSURANCE:** If Borrower has purchased credit life or credit accident and health insurance, this insurance may only cover payments made under the existing Note.

**ADDITIONAL DOCUMENTS:** Borrower agrees to execute any additional documents that Lender may request in connection with this Agreement.

**RATIFICATION AND INCORPORATION:** The terms definitions and conditions of the existing Note are incorporated by this reference. Except as expressly changed herein, the terms of the Note shall remain unchanged and in full force and effect with all collateral pledged to secure the Note remaining as security therefore. Consent by the Lender to the changes contained herein does not waive Lender's right to require strict performance of the Note as changed, nor obligate Lender to make any future changes or modifications. Nothing in this Agreement shall constitute a satisfaction of the Note.

**RESERVATION OF RIGHTS:** If a Borrower under the existing Note does not sign this Agreement, such Borrower will remain liable under the terms and conditions contained in the existing Note if not released from those obligations in a writing signed by Lender.

**SECURITY:** Borrower agrees that all collateral given to secure the original Note shall continue to serve as collateral for the Note as hereby modified, including all interest accrued at any increased rate.

**GUARANTEE:** Guarantor(s) signing below specifically consent to the terms of this Extension and Amendment to Note, and agree that it shall not in any way prejudice Lender's rights under any guaranty given for the Note.

**MODIFIED NOTE INFORMATION**

INTEREST RATE	PRINCIPAL AMOUNT	EFFECTIVE DATE	MATURITY DATE	CUSTOMER NUMBER	LOAN NUMBER
6.00%	\$648,133.60	03/24/2011	06/22/2011		7711007226